



MICHIGAN
HOUSE OF REPRESENTATIVES
P.O. Box 30014
LANSING, MICHIGAN 48909-7514

**MINUTES OF THE COMMITTEE
ON
TAX POLICY**

Wednesday, April 13, 2016 10:30 a.m. Room 521, House Office Building

The House Committee on Tax Policy was called to order by the Chairman, Representative Jeff Farrington.

Members present: Representatives Farrington, Maturen, Somerville, Yonker, Howrylak, Chatfield, Glenn, Iden, Webber, Townsend, Clemente, LaVoy, and Byrd.

Members absent/excused: None.

Representative Maturen moved to adopt the minutes from the Wednesday, March 23, meeting.

There being no objection, the motion prevailed by unanimous consent.

The Chair laid before the committee HB 5525, HB 5526, and HB 5527:

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| HB 5525 (Nesbitt) | Property tax; special assessments; state essential services assessment act; modify filing requirements. |
| HB 5526 (Farrington) | Property tax; exemptions; general property tax act; modify filing requirements. |
| HB 5527 (Farrington) | Economic development; plant rehabilitation; certain filing requirements; modify. |

Chairman Farrington introduced the bills to the committee.

Howard Ryan, Kelli Sobel, Heather Frick, and Dave Buick, representing the Michigan Department of Treasury testified in support of HB 5525, HB 5526, and HB 5527.

Tricia Kinley, representing the Michigan Chamber of Commerce, submitted a testimony card in support of HB 5525, HB 5526, and HB 5567, but did not wish to speak.

Mike Johnston, representing the Michigan Manufacturers Association, submitted a testimony card in support of HB 5525, HB 5526, and HB 5567, but did not wish to speak.

Chris Hackbarth, representing the Michigan Municipal League, submitted a testimony card neutral on HB 5525, HB 5526, and HB 5527, but did not wish to speak.

Elizabeth Gorz, representing the Michigan Association of Counties, submitted a testimony card neutral on HB 5525, HB 5526, and HB 5527, but did not wish to speak.

Representative Maturen moved to adopt the substitute (H-1) to HB 5525.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Farrington, Maturen, Somerville, Yonker, Howrylak, Chatfield, Glenn, Iden, Webber, Townsend, Clemente, LaVoy, and Byrd.

NAYS: None.

PASS: None.

Representative Maturen moved to report HB 5525 as substitute (H-1), with recommendation.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Farrington, Maturen, Somerville, Yonker, Howrylak, Chatfield, Glenn, Iden, Webber, Townsend, Clemente, LaVoy, and Byrd.

NAYS: None.

PASS: None.

Representative Maturen moved to adopt the substitute (H-1) to HB 5526.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Farrington, Maturen, Somerville, Yonker, Howrylak, Chatfield, Glenn, Iden, Webber, Townsend, Clemente, LaVoy, and Byrd.

NAYS: None.

PASS: None.

Representative Maturen moved to report HB 5526 as substitute (H-1), with recommendation.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Farrington, Maturen, Somerville, Yonker, Howrylak, Chatfield, Glenn, Iden, Webber, Townsend, Clemente, LaVoy, and Byrd.

NAYS: None.

PASS: None.

Representative Maturen moved to report HB 5527, with recommendation.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Farrington, Maturen, Somerville, Yonker, Howrylak, Chatfield, Glenn, Iden, Webber, Townsend, Clemente, LaVoy, and Byrd.

NAYS: None.

PASS: None.

The Chair laid before the committee HB 5401:

HB 5401 (Farrington) Environmental protection; other; application for air or water pollution control tax exemption certificate; require to include an affidavit by a licensed environmental engineer.

Chairman Farrington explained the substitute (H-1) to the committee.

Ken Osborne, representing the Michigan Department of Treasury, submitted a testimony card in support of HB 5401, but did not wish to speak.

Mike Johnston, representing the Michigan Manufacturers Association, submitted a testimony card in support of HB 5401, but did not wish to speak.

Rebecca Park, representing the Michigan Farm Bureau, submitted a testimony card in support of HB 5401, but did not wish to speak.

James Clift, representing the Michigan Environmental Council, submitted a testimony card in opposition to HB 5401, wishing to speak.

Kara Cook and Charlotte Jameson, representing the Michigan League of Conservation Voters, submitted a testimony card in opposition to HB 5401, but did not wish to speak.

Representative Maturen moved to adopt the substitute (H-1) to HB 5401.

The motion prevailed by a vote of 13-0-0.

FAVORABLE ROLL CALL:

YEAS: Representatives Farrington, Maturen, Somerville, Yonker, Howrylak, Chatfield, Glenn, Iden, Webber, Townsend, Clemente, LaVoy, and Byrd.

NAYS: None.

PASS: None.

Representative Townsend offered the following amendment to HB 5401 (H-1):

1. Amend page 2, following line 24, by inserting:
“Sec. 5901. As used in this part, “facility” means machinery, equipment, structures or any part of accessories of machinery, equipment, or structures, installed or acquired for the primary purpose of controlling or disposing of air pollution that if released would render the air harmful or inimical to the public health or to property within this state. **FACILITY INCLUDES A**

RENEWABLE ENERGY SYSTEM AS DEFINED IN SECTION 11 OF THE CLEAN, RENEWABLE, AND EFFICIENT ENERGY ACT, 2008 PA 295, MCL 460.1011.

Facility includes an incinerator equipped with a pollution abatement device in effective operation. Facility does not include an air conditioner, dust collector, fan, or other similar facility for the benefit of personnel or of a business. Facility also means the following, if the installation was completed on or after July 23, 1965:

(a) Conversion or modification of a fuel burning system to effect air pollution control. The fuel burner portion only of the system is eligible for tax exemption.

(b) Installation of a new fuel burning system to effect air pollution control. The fuel burner portion only of the system is eligible for tax exemption.

(c) A process change involving production equipment made to satisfy the requirements of part 55 and rules promulgated under that part. The maximum cost allowed shall be 25% of the cost of the new process unit but shall not exceed the cost of the conventional control equipment applied on the basis of the new process production rate on the preexisting process.”.

Representative Townsend moved to adopt the amendment to HB 5401 (H-1).

The motion failed by a vote of 4-8-1.

UNFAVORABLE ROLL CALL:

YEAS: Representatives Townsend, Clemente, LaVoy, and Byrd.

NAYS: Representatives Farrington, Maturen, Somerville, Yonker, Chatfield, Glenn, Iden, and Webber.

PASS: Representative Howrylak.

Representative Maturen moved to report HB 5401 as substitute (H-1), with recommendation.

The motion prevailed by a vote of 11-1-1.

FAVORABLE ROLL CALL:

YEAS: Representatives Farrington, Maturen, Somerville, Yonker, Chatfield, Glenn, Iden, Webber, Clemente, LaVoy, and Byrd.

NAYS: Representative Townsend.

PASS: Representative Howrylak.

There being no further business before the committee and seeing no objection, the Chair adjourned the meeting, the time being 11:05 a.m.

Representative Jeff Farrington, Chair

Kevin Gawronski
Committee Clerk
April 13, 2016
35 minutes

Date Approved and Signed